UNITED
NATIONS

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United Nations Conference
on Trade and Development

Distr.
LIMITED

TD/B/WP/L.58
14 February 1990

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Working Party on the Medium-term
Plan and the Programme Budget
Nineteenth session
Geneva, 12 February 1990
Agenda item 8

DRAFT REPORT OF THE WORKING PARTY ON THE MEDIUM-TERM PLAN AND THE PROGRAMME BUDGET ON ITS NINETEENTH SESSION

held at the Palais des Nations, Geneva,
from 12 to 16 February 1990

Rapporteur: Mr. Leslie GATAN (Philippines)

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GE.90-50329/1545B

INTRODUCTION

1. The nineteenth session of the Working Party on the Medium-term Plan and the Programme Budget was held at the Palais des Nations, Geneva, from 12 to .. February 1990.

2. In the course of the session, two plenary meetings were held. This report gives a short account of the proceedings of those meetings.

Opening statements

3. Referring to agenda item 3 (review of the technical assistance activities of UNCTAD), the Director of the Division for Programme Support and Management Services (PSMS) said that technical co-operation was a subsidiary but essential part of UNCTAD's efforts in support of international economic development, and should be seen as an integral part of the continuum of UNCTAD's activities of intergovernmental consultation and negotiation, research and analysis, and exchange of information. UNCTAD's technical co-operation provided an important instrument whereby the policy objectives of the organization and the technical expertise and information available in the secretariat could be placed directly at the disposal of developing countries, both individually and collectively. The organization itself benefited from this direct exposure to the realities of development and of international economic co-operation, which enhanced the intergovernmental dialogue and the relevance of the secretariat's work.

4. Although 1988 had been a year of transition and consolidation after the growth experienced in 1986-1987, the foundation had been laid for an expansion in the following year, when expenditures and therefore delivery had increased by some 50 per cent - i.e. from about $12 million to a record level of $18.4 million in 1989. The stock of approved budgets had likewise been at its highest level ever. In 1989 UNCTAD had achieved the very respectable delivery rate of 80 per cent against approved budgets - a level greater than in previous years and higher than the average for the United Nations system as a whole. This expansion had several components, such as the subregional transit transport projects in Africa, a considerable expansion of the customs computerization programme (ASYCUDA0) projects resulting from special initiatives such as the United Nations Secretary-General's Expert Group on African Commodity Problems or those linked with major international events, namely the Uruguay Round and the preparations for the Second United Nations Conference on the Least Developed Countries. All of these projects would continue to have a high level of activity in 1990.

5. A significant feature of the expansion of UNCTAD's technical co-operation over the last few years was the further development of a number of computer-based management information systems. Beneficiary Governments were expressing considerable interest in this type of technical co-operation, in part because expert advice was accompanied by a specific product of immediate applicability in decision-making and in part because international co-operation benefited from the standardization of the software.

6. He observed, however, that the total amount of multilateral resources for the trade sectors remained extremely modest when measured against the needs of developing countries and there was a continued need to press for an increase in the amount of resources available.

7. Addressing the concern for sustained expansion of the UNCTAD technical co-operation programme without sacrificing quality and in a manner which was compatible with the overall effective functioning of the organization and supportive of its basic mandates, he noted that the grouping of various projects by specific programme areas and the integration of the management within the structure of the secretariat was proving increasingly effective in promoting the necessary interaction with normative and analytical work and in facilitating compatibility and mutual support between technical co-operation and other aspects of secretariat work. There were nevertheless strains in certain areas, in particular in respect of work concerned with management information systems, which was expanding considerably and which presented rather special needs for the development and maintenance of the software and concomitant support to developing countries for institution-building. He welcomed the fact that some donors had provided, through interregional projects, support for the related management and technical backstopping, as this would avoid any undue strain on regular resources.

8. He said that, although the secretariat report on technical assistance (TD/B/WP/68 and Add.1) was an annual report on technical co-operation activities undertaken in 1988, an attempt had been made to improve the analytical content of the introductory part, so as to give member States a better sense of the evolution of the programme as a whole. If this was of interest, this approach could be extended to the main body of the report in the future by providing a more general analysis of developments in each programme area, project-by-project information being provided but in a more schematic format, perhaps in the form of annexes rather than in the report itself.

READEX

9. Turning to agenda item 4 on programme evaluation, he said that the secretariat report on this issue (TD/B/1225) represented a new, stocktaking stage in the development of the evaluation system in UNCTAD and reviewed actions taken or envisaged for the implementation of the main recommendations emanating from the evaluation exercises undertaken during the period 1986-1988. It was felt that, before engaging in another round of internal evaluations, it was important to review and give impetus to the implementation of the evaluation findings reached so far, in order to ensure that they led to concrete action and improvements in management. The report also provided information on more recent developments concerning the evaluation process in UNCTAD, in particular the growing attention being given to the evaluation of technical assistance activities, following requests addressed by the various main Committees and the views expressed at previous sessions of the Working Party.

10. In the context of agenda item 5, he observed that the approval by the General Assembly in December 1989 of the United Nations budget, of which UNCTAD was part, marked the conclusion of the process of post reductions, which had meant for UNCTAD the abolition of a total of 47 posts, 27 at the professional and 20 at the general service level. Although implementation had been gradual throughout the last biennium, short-term recruitment on specific assignments had been permitted against vacant abolished posts in certain circumstances. The full impact of post reductions on programme delivery could therefore be assessed only during the current biennium. This would call for the greatest care in resource utilization and in monitoring programme implementation, particularly during a biennium which would engage UNCTAD in the holding of two major conferences, the Second United Nations Conference on the Least Developed Countries and UNCTAD VIII. While total appropriations for UNCTAD in the 1990-1991 budget included an additional non-recurrent provision of some $600,000 relating to preparations for UNCTAD VIII, an offsetting reduction had been made in the regular provision for official travel of some $350,000, which would undoubtedly have an impact on the implementation of the regular work programme and would affect the basis of future budgetary provisions.

11. Another element of uncertainty lay in the cash flow situation of the United Nations as a whole, which continued to remain difficult and which, in the absence of a significant improvement in the timing of member States' contributions, could well lead to a deficit in the later months of 1990. For

this reason, allotments for purposes other than salaries had been made for only nine months rather than the traditional full year - or the full biennium for certain budget categories (for example equipment) - with, obviously, adverse consequences for the planning of activities. This difficult or at least uncertain situation would require careful management on the part of the secretariat but also flexibility and co-operation on the part of member States.

12. The spokesman for Group B (United States of America) expressed appreciation for the improvement in the format and narrative of the secretariat report on technical co-operation activities in 1988 (TD/B/WP/68 and Add.1). Since the Working Party's consideration of technical assistance had had to be postponed, his Group would welcome, if possible, an update on the 1989 technical assistance in the form of a statistical compilation similar to that contained in addendum 1 of the secretariat's report.

13. Group B noted the changing nature of UNCTAD's technical assistance activities, especially the trend away from traditional academic seminars and meetings towards a greater emphasis on the application of modern computer techniques and software in trade and development fields - a trend which might force delegations to rethink the traditional definition of technical assistance within UNCTAD. He added that UNCTAD meetings on specific technical assistance projects, such as ASYCUDA, were very valuable and he encouraged the secretariat to make continued selective use of these project-specific briefings in the future.

14. He said that, in addition to any benefits they might have for the developing countries, technical assistance activities allowed the UNCTAD secretariat to gain "hands-on" experience with the development process and to put theories to the test. This, in turn, could help to improve UNCTAD's analytical work. In this regard, Group B strongly believed that technical assistance should never be carried out at the expense of UNCTAD's analytical work. His Group did not want UNCTAD to become solely - or even principally - a technical assistance body, and technical assistance projects should not be allowed to delay the regular work of the secretariat. Citing figures which showed the rapid expansion of the technical co-operation activities in 1988 and 1989, he said that this rapid growth could make UNCTAD's technical assistance programme as large as, or even larger than, its analytical work. At its current session the Working Party must discuss the future directions of UNCTAD and the efforts to establish a proper balance between technical

assistance and analytical work. He noted that the secretariat had recognized the importance of this issue in paragraph 19 (a) of its report, in which it stated that its intention was "to develop a limited programme of high quality, relevance and effectiveness". Group B fully supported this goal and believed in particular that UNCTAD should emphasize quality over quantity. He welcomed the secretariat's attempt to channel requests in areas in which it had little expertise to other organizations and he urged the secretariat to move still further along that path: UNCTAD should reject requests not only in areas in which it had no expertise, but also in those where it had less expertise, where the comparative advantage lay elsewhere, or when project proposals exceeded the mandate of UNCTAD. As for the "relevance" of UNCTAD's technical assistance, Group B strongly believed that such activities should fully reflect its intergovernmental work and the corresponding priorities. With regard to "effectiveness", this could best be improved through proper evaluation procedures, and he asked the secretariat to explain what steps were currently being taken to evaluate the effectiveness of such projects. He urged the secretariat to encourage and consider evaluations by recipient countries, as well as independent evaluations, especially when dealing with larger projects.

15. On the question of establishing priorities in technical assistance activities, he said that Group B countries were especially enthusiastic about the ASYCUDA programme, the GSP programme, and the work being done in the Shipping Division, in particular STRATSHIP. But what mechanisms were there for deciding on the priorities of the entire organization? When did delegations have the opportunity to give guidance on this matter? He believed that an informal discussion of this topic would be a useful role for the Working Party.

16. Turning to programme evaluation (agenda item 4), he praised the work of the Programme Co-ordination and Evaluation Unit and congratulated the Joint Inspection Unit and the Secretary-General of the United Nations for the quality of their efforts to inform member States of the results of the United Nations evaluation programme. Group B was satisfied with the effort made by the UNCTAD secretariat to use the results of its evaluations and to share the results with member States. His Group noted with concern, however, that feedback from end-users remained unsatisfactory. He urged the secretariat to give special attention to this aspect of its evaluation programme, perhaps through improved questionnaires and special mailings. He

suggested two steps for improving this work: first the development of a detailed plan for improving feedback from end-users, which would be valid both for the regular programme and for technical assistance; secondly, a medium-term plan, to be formulated by the Secretary-General of UNCTAD, for supplementing self-evaluation with a limited number of external evaluations.

17. The spokesman for Group D (German Democratic Republic) noted with appreciation that UNCTAD had again carried out extensive technical co-operation activities in 1988, thus fulfilling the hope expressed at the sixteenth session of the Working Party that the resources for such activities would be consolidated and further strengthened. He observed, however, that this positive evolution had been due solely to the increase in the resource allocation by UNDP. The two other sources - the regular United Nations Programme on Technical Co-operation and the funds-in-trust - had decreased their resource allocations. Viewed by field of activity, he noted that project expenditures had increased in the areas of trade with socialist countries, data management, cross-sectoral activities, and support for African and least developed countries. In contrast, Group D regretted the considerable decrease in allocations for such development-oriented fields as commodities and shipping. His Group would welcome a clarification by the secretariat on the procedures for distributing the existing resources for technical co-operation activities among the various areas of trade and development, in compliance with intergovernmental decisions and recommendations and the priority needs expressed by developing countries.

18. As for the practical modalities of technical assistance, Group D wished to emphasize once again the need for balanced geographical distribution in the selection of experts for assignment under the UNCTAD technical co-operation programme. The data for 1986, 1987 and 1988 showed no improvement in the selection of experts/consultants from Group D countries. Out of 240 experts and consultants recruited by UNCTAD in 1988, 147 had come from Group B countries, 90 from developing countries, and only 2 from countries of Eastern Europe.

19. On the question of the frequency with which intergovernmental bodies considered the activities of UNCTAD in programme evaluation and in technical co-operation, he expressed the view that future reports of the Secretary-General of UNCTAD on programme evaluation should be considered only by the Trade and Development Board and not, as hitherto, by the Board and the Working Party. This proposal was based on the fact that the UNCTAD evaluation

system had now become fully operational and also on the desire to avoid any duplication of work within the intergovernmental machinery of UNCTAD. A similar desire to improve the effectiveness of UNCTAD's intergovernmental machinery lay at the heart of a second Group D proposal: namely that the technical co-operation activities of UNCTAD should be considered biennially in the Working Party. This procedure would ensure the provision of the information requested and the required transparency in this field, and at the same time would make it possible to streamline the work of the Working Party on this subject.

20. Turning to agenda item 4 on programme evaluation, he said that the secretariat report (TD/B/1225) gave a complete picture of the development of the system of evaluation to which 22 out of the 26 main UNCTAD subprogrammes had been subjected, the extension of that system to technical assistance activities and the development of functions in the Programme Co-ordination and Evaluation Unit. The practical conclusions drawn on the basis of the evaluation results and the concrete measures being implemented or planned in the various areas of activity of UNCTAD were of particular interest. The conclusion that the results of UNCTAD's research and analysis should be applied in the practical work of UNCTAD as much as possible was of fundamental importance, particularly in such areas as the development of policy in trade and in the commodity field, practical measures for developing trade and other forms of economic co-operation, problems in the use of domestic resources and debt settlement, and the development of the services sector. More effective use must also be made of the extensive statistical information at the disposal of the UNCTAD secretariat, including the data banks, as well as of programme support.

21. The countries of Group D greatly appreciated the secretariat's efforts to apply the results of its work to the developing countries, but at the same time they felt that much greater use should be made of those results by all interested States. This universal approach was reflected in the measures implemented on the basis of the results of the evaluation of specific programmes.

22. Finally, he said that Group D was particularly interested in such projects as the development of new econometric models, the improvement of statistics in the field of services, the computer programme for the collection of, and search for, information on restrictive business practices, the

improvement of the data base on trade measures and the broad dissemination of the information in the data base, and the development of the intergovernmental consultations mechanism.

23. The spokesman for the Group of 77 (Peru) expressed his Group's satisfaction with the valuable work on technical co-operation done by the secretariat. These activities should continue to be inspired by the central mandate of UNCTAD, without attempting to take its place. The secretariat's fundamental task was to focus on a continual analysis and evaluation of the world economic situation from the perspective of economic and social development and the needs of the developing countries, and to propose appropriate initiatives. Technical assistance should be viewed as supplementing this central activity.

24. He was pleased to see that the resources for technical co-operation activities had increased over the past two years, although the resources were still modest in relation to the enormous needs of the developing countries. This aspect should be further discussed in the Working Party.

25. The Group of 77 agreed with the view that the quality of technical assistance should take precedence over quantity and that the projects should have a really favourable impact on the development of the developing countries. Referring to the programme priorities outlined by the spokesman for Group B, he said that the Group of 77 also supported those programmes, but there were yet other programmes that were of special importance to the Group of 77. These included the projects on the MTNs under the Uruguay Round, services, debt management, and the least developed countries.

26. The Group of 77 welcomed and supported the new emphasis on the use of computer software in the technical co-operation projects, since information was of the utmost importance in the world today. He urged those Divisions and Programmes of the secretariat which had not yet adopted these techniques to provide information on their plans for doing so in the future.

27. He said that, while the Group of 77 was ready to discuss all the issues raised in the secretariat's report on technical co-operation and all aspects of agenda item 3, it wished to recall the agreed conclusions adopted by the Working Party at its fourteenth and sixteenth sessions, which laid down the guidelines for the secretariat's technical assistance activities.

28. Finally, he expressed support for the suggestion made by the spokesman for Group D that technical co-operation activities should be examined biennially.

29. Turning to agenda item 4 on programme evaluation, he expressed his Group's appreciation to the Programme Co-ordination and Evaluation Unit, whose work was carried out in accordance with the dictates of self-evaluation and internal assessment. The Group of 77 considered that this work should continue.

30. The representative of China, commending the useful background information in the secretariat report on technical co-operation activities (TD/B/WP/68 and Add.1), noted with satisfaction that there had been more technical co-operation programmes in 1988 than in 1987. The use made of the expertise and the data software developed in the secretariat had greatly contributed to the ability of the developing-country Governments to implement international development strategies and measures and to develop their foreign trade. China had itself benefited a great deal from such technical assistance.

31. Referring to the new developments in 1989, he noted that there had been a substantial increase in finance for technical co-operation and in the dissemination of information that reflected the new character of the world economy and international trade. A notable example of this work had been the help provided to developing countries to facilitate their participation in the Uruguay Round and in the Second United Nations Conference on the Least Developed Countries, to be held in September 1990. The secretariat had taken measures to improve the design and management of projects, as well as its relations with Governments and agencies in this area.

32. His delegation thus expressed its appreciation to the UNCTAD secretariat for its technical co-operation activities and to donor countries and UNDP for their contributions. Nevertheless, the size of the programmes was modest in relation to the developing countries' enormous needs. He would wish to see the secretariat pursuing this work on the current basis, but for this more funds were required. He therefore hoped that UNDP and all other donors would increase their contributions.

33. Finally, with reference to programme evaluation (agenda item 4), he praised the successful work done by the Programme Co-ordination and Evaluation Unit and hoped that this work would be continued on the same basis.

Chapter I

REVIEW OF THE TECHNICAL ASSISTANCE ACTIVITIES OF UNCTAD

(agenda item 3)

34. For its consideration of agenda item 3 the Working Party had before it the following report by the UNCTAD secretariat: "Technical co-operation activities of UNCTAD" (TD/B/WP/68 and Add.1).

[To be completed as appropriate]

Chapter II

ORGANIZATIONAL MATTERS

(a) Opening of the session

(i) The nineteenth session of the Working Party was opened on 12 February 1990 by Mr. K. Tiltsch (German Democratic Republic), Chairman of the Working Party at its eighteenth session.

(b) Election of officers

(agenda item 1)

(ii) At its 93rd (opening) meeting, on 12 February 1990, the Working Party elected Mr. D. Hay-Edie (United Kingdom of Great Britain and Northern Ireland) to serve as its Chairman and Mr. L. Gatan (Philippines) as its Vice-Chairman-cum-Rapporteur.

(c) Adoption of the agenda and organization of work

(agenda item 2)

(iii) Also at its 93rd meeting, the Working Party adopted the provisional agenda which it had approved at its eighteenth session (TD/B/WP/67). The agenda for the nineteenth session therefore read as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Review of the technical assistance activities of UNCTAD
4. Report by the Secretary-General of UNCTAD on the work of the secretariat on programme evaluation
5. Report by the Secretary-General of UNCTAD pursuant to paragraph 4 of the agreed conclusions adopted by the Working Party at its ninth session
6. Provisional agenda for the twentieth session of the Working Party
7. Other business
8. Adoption of the report of the Working Party to the Trade and Development Board.

(iv) With regard to the organization of work, after hearing the opening statements by the regional group spokesmen, China, and the Director of the Division for Programme Support and Management Services (see Introduction above), the Working Party decided to meet as an informal working group to consider agenda items 3, 4 and 5.

(d) Membership and attendance 1/

(v) The following States members of the Working Party were represented at the session: Argentina; Australia; Belgium; Brazil; Bulgaria; China; Egypt; Finland; German Democratic Republic; India; Japan; Kenya; Peru; Philippines; Union of Soviet Socialist Republics; United Kingdom of Great Britain and Northern Ireland; United Republic of Tanzania; United States of America; Yugoslavia.

(vi) The following other States members of UNCTAD, not members of the Working party, were represented at the session: Austria, Bhutan; Bolivia; Canada; Democratic Yemen; Denmark; Ethiopia; Germany, Federal Republic of; Ghana; Honduras; Indonesia; Ireland; Italy; Malaysia; Mexico; Morocco; Nigeria; Nicaragua; Norway; Republic of Korea; Sudan; Venezuela; Viet Nam.

(vii) The United Nations Development Programme was represented at the session.

(e) Provisional agenda for the twentieth session of the Working Party

(agenda item 6)

[To be completed]

(f) Adoption of the report of the Working Party to the to the Trade and Develpment Board

(agenda item 8)

[to be completed]

1/ The membership of the Working Party at its nineteenth session was: Argentina; Australia; Belgium; Brazil; Bulgaria; China; Egypt; Finland; German Democratic Republic; India; Japan; Kenya; Peru; Philippines; Union of Soviet Socialist Republics; United Kingdom of Great Britain and Northern Ireland; United Republic of Tanzania; United States of America; Yugoslavia (see report of the Trade and Development Board on the first part of its thirty-sixth session, part I, section D.2 (other decisions)).

For the list of participants, see TD/B/WP/INF. ...

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Distr.
LIMITED

TD/B/WP/L.59
15 February 1990

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Working Party on the Medium-term Plan
and the Programme Budget
Nineteenth session,
Geneva, 12 February 1990
Agenda items 3 and 4

REVIEW OF THE TECHNICAL ASSISTANCE ACTIVITIES OF UNCTAD

REPORT BY THE SECRETARY-GENERAL OF UNCTAD ON THE WORK OF THE SECRETARIAT ON PROGRAMME EVALUATION

Draft agreed conclusions submitted by the Chairman

The Working Party on the Medium-term Plan and the Programme Budget,

1. Takes note with appreciation of the report on technical co-operation acitivities of UNCTAD (TD/B/WP/68 and Add.1); and the report of the Secretary-General of UNCTAD on programme evaluation in UNCTAD (TD/B/1225);

2. Reaffirms the agreed conclusions adopted by the Working Party at its fourteenth and sixteenth sessions and requests the UNCTAD secretariat to continue implementation thereof;

3. Expresses its appreciation to the secretariat for the demonstrations on technical co-operation software information systems given during the course of the Working Party and requests the secretariat to continue these at future sessions of the Working Party on technical assistance;

4. Takes note with appreciation of UNCTAD's continuing efforts to strengthen its co-operation with United Nations agencies and other bodies in the area of technical co-operation;

5. Welcomes UNCTAD's intention to maintain and develop a programme of technical co-operation of high quality, relevance and effectiveness;

6. Recommends to the Trade and Development Board that future reports of the Secretary-General of UNCTAD on programme evaluation be submitted solely to the Working Party on the Medium-term Plan and the Programme Budget, on a biennial basis, and subsequently annexed to the report of the Working Party to the Trade and Development Board;

7. Decides that, in future, the review of UNCTAD's technical co-operation activities be carried out on a biennial basis together with the review on programme evaluation.

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Distr.
LIMITED

TD/B/WP/L.60
15 February 1990

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Working Party on the Medium-term Plan
and the Programme Budget
Nineteenth session
Geneva, 12 February 1990
Agenda item 6

PROVISIONAL AGENDA FOR THE TWENTIETH SESSION OF THE WORKING PARTY

Draft provisional agenda for the twentieth session of the Working Party

1. Election of officers

2. Adoption of the agenda and organization of work

3. Review of the UNCTAD section of the proposed United Nations Programme Budget for the biennium for 1992 - 1993

4. Report by Secretary-General of UNCTAD pursuant to paragraph 4 of the agreed conclusions adopted by Working Party at its ninth session

5. Provisional agenda for the twenty-first session of the Working Party

6. Other business

7. Adoption of the report of the Working Party to the Trade and Development Board.

GE.90-50335